

**SPECIAL MEETING  
NORTH CAROLINA DEPARTMENT OF STATE TREASURER  
LOCAL GOVERNMENT COMMISSION  
MINUTES  
JUNE 10, 2020**

The meeting was called to order at 1:00 p.m. by Chair Dale R. Folwell on the above date. The meeting was conducted by use of simultaneous communication by telephone due to the COVID 19 pandemic. Members present by phone were: Chair Folwell, Secretary of State Elaine Marshall, State Auditor Beth Wood, Secretary of Revenue Ronald Penny, Edward Munn, Joshua Bass, Scott Padgett, Viola Harris and Mike Philbeck.

Members Absent: None

A quorum was present for the entire meeting.

Other participants by phone: Tim Romocki, Greg Gaskins, Sharon Edmundson, Jennifer Wimmer, Alisia Smith, Ben Garner, Biff McGilvray, Debbie Tomasko, Dora Fazzini, Brian Jackson, Anitra Wells, Graham Lewis, Rodney Shotwell and Kimberly Smith.

There were no reported actual, potential, or the appearance of conflicts of interest regarding the matters on the agenda.

Mr. Padgett made the motion to adopt the following resolution:

**“RESOLUTION APPROVING THE APPLICATION OF THE LEXINGTON CITY  
SCHOOLS BOARD OF EDUCATION FOR THE FINANCING OF CERTAIN  
ENERGY SAVINGS CAPITAL IMPROVEMENTS THROUGH AN  
INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20**

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, The Lexington City Schools Board of Education (the “School Board”) intends to finance the acquisition and installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, controls and HVAC/mechanical improvements; and

WHEREAS, the School Board has determined that it is necessary and expedient to improve operating profiles, reliability and reduce operating costs of the facilities; and

WHEREAS, the principal amount to be advanced by Bank of America, National Association (the “Lender”) to the School Board under the Contract will not exceed \$3,877,853 (\$3,978,818 with capitalized interest accrued during construction); and

WHEREAS, the School Board will repay the advance in twenty (20) years; including 15-month construction period; monthly payments sized to accommodate the savings realization pattern at a rate of 2.058%. The term of the Guaranteed Energy Savings Contract (GES) is nineteen (19) years; and

WHEREAS, the Secretary of the Local Government Commission of North Carolina (the “Commission”) has determined that the unit has complied with Section 159-149 of the General Statutes of North Carolina, as amended; and

WHEREAS, the Commission, pursuant to Section 159-151 of the General Statutes of North Carolina, as amended, upon information and evidence received, finds and determines as follows:

- (1) the Contract is necessary and expedient;
- (2) the Contract, under the circumstances, is preferable to a bond issue for the same purposes;
- (3) the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- (4) the School Board's debt management procedures and policies are good;
- (5) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) the School Board is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application for approval of the Contract and planned financing are hereby approved under the provisions of Section 160A-20 of the General Statutes, as amended, Article 8 of Chapter 159 of the General Statutes, as amended, and relevant resolutions of the Commission.”

Mr. Penny seconded the motion, and it was approved by unanimous vote. Graham Lewis, Project Manager, Schneider Electric attended the meeting by telephone and answered members' questions.

Mr. Padgett made the motion to adopt the following resolution:

**“RESOLUTION APPROVING THE APPLICATION OF THE ROCKINGHAM COUNTY SCHOOLS BOARD OF EDUCATION FOR THE FINANCING OF CERTAIN ENERGY SAVINGS CAPITAL IMPROVEMENTS THROUGH AN INSTALLMENT FINANCING CONTRACT PURSUANT TO G.S. §160A-20**

WHEREAS, pursuant to Section 160A-20 of the General Statutes of North Carolina, as amended, The Rockingham County Schools Board of Education (the “School Board”) intends to finance the acquisition and installation of energy conservation measures (ECMs) at school system facilities. ECMs are primarily lighting upgrades, controls and HVAC/mechanical improvements and water and sewer improvements; and

WHEREAS, the School Board has determined that it is necessary and expedient to improve operating profiles, reliability and reduce operating costs of the facilities; and

WHEREAS, the principal amount to be advanced by Bank of America, National Association (the “Lender”) to the School Board under the Contract will not exceed \$8,045,102 (\$8,243,313 with capitalized interest accrued during construction); and

WHEREAS, the School Board will repay the advance in twenty (20) years; including 15-month construction period; quarterly payments sized to accommodate the savings realization pattern at a rate of 2.190%. The term of the Guaranteed Energy Savings Contract (GESc) is nineteen (19) years; and

WHEREAS, the Secretary of the Local Government Commission of North Carolina (the “Commission”) has determined that the unit has complied with Section 159-149 of the General Statutes of North Carolina, as amended; and

WHEREAS, the Commission, pursuant to Section 159-151 of the General Statutes of North Carolina, as amended, upon information and evidence received, finds and determines as follows:

- (1) the Contract is necessary and expedient;
- (2) the Contract, under the circumstances, is preferable to a bond issue for the same purposes;
- (3) the sums to fall due under the Contract are adequate and not excessive for its proposed purpose;
- (4) the School Board's debt management procedures and policies are good;
- (5) the increase in taxes, if any, necessary to meet the sums to fall due under the Contract will not be excessive; and
- (6) the School Board is not in default in any of its debt service obligations.

NOW, THEREFORE, BE IT RESOLVED by the Commission that the application for approval of the Contract and planned financing are hereby approved under the provisions of Section 160A-20 of the General Statutes, as amended, Article 8 of Chapter 159 of the General Statutes, as amended, and relevant resolutions of the Commission."

Mr. Penny seconded the motion, and it was approved by unanimous vote. Kimberly Smith, St. Account Executive, Johnson Controls attended the meeting by telephone and answered members' questions.

Mr. Penny left the meeting at approximately 1:25 p.m.

Ms. Harris introduced a motion to adjourn the meeting. Mr. Bass seconded the motion, the motion passed by unanimous vote, and the meeting was adjourned at 1:33 p.m.

The next regularly scheduled meeting of the North Carolina Local Government Commission will be held on July 7, 2020, at 2:30 p.m.

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I, Greg C Gaskins, Secretary of the North Carolina Local Government Commission, DO HEREBY CERTIFY that the foregoing is a true and correct extract from the minutes of the meeting of the North Carolina Local Government Commission that was duly called and held on June 10, 2020, and sets forth so much of said minutes as in any way relates to the introduction, consideration and passage of the resolution therein set forth.

WITNESS my hand at Raleigh, as of the 10<sup>th</sup> day of June 2020.

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Secretary of the North Carolina  
Local Government Commission